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July 23, 2010

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PUBLIC SERVICE COMMISSION

Jeff Derouen Executive Director Public Service Commission 211 Sower Blvd. Frankfort, KY 40601

Re: Case No. 2010-0038

Dear Mr. Derouen:

In response to the letter from Linda Faulkner of July 13, 2010, Northern Kentucky Water District provides the terms and conditions for the loan from the Kentucky Infrastructure Authority for the \$8,000,000 of financing: 2% interest; .20% administrative fee for a 20 year term.

If you have any questions about this matter, please contact me.

Very truly yours,

John N. Hughes

Attorney for Northern Kentucky

Water District

Attachment